

Ambuja Cement

Refer to important disclosures at the end of this report

The Adani Group shares goal blueprint

The Adani Group filed an investor presentation with the stock exchanges, unveiling its roadmap for capacity expansion and cost efficiencies. Management: i) re-iterated its guidance of doubling capacity to 140mt by FY28 (16% CAGR), at a capex of Rs460bn (USD77/ton) to be funded via internal accruals; ii) stated its target of achieving consolidated EBITDA of Rs175bn, with EBITDA/ton of Rs1,470 by FY28; iii) aims for Rs300-400/ton EBITDA improvement in FY24, through operational efficiencies. The Group has also outlined a few projects totaling 24mt cement capacity expansion (vs 11mt announced earlier), aimed to be commissioned in the next 2-3 years. We are awaiting clarity on clinker capacity expansion, equipment ordering, and conversion of warrants. We have a HOLD rating on Ambuja Cements, with target price of Rs425/share, based on 15x FY25E EV/E.

- **Re-iterates doubling cement capacity to 140mt by FY28, implying 16% CAGR.** The Group has outlined a few projects with the aim of increasing its overall cement capacity by 24mt (~13mt integrated and 11mt grinding) to 92mt and which it targets commissioning over 2-3 years. Of the 24mt, the Group has earmarked 13mt brownfield and 11mt greenfield capacity-additions. Besides, it is likely to add 10mt in the East, 8mt in the West, and 3mt each in the northern and central regions. The future roadmap for capacity expansion, from 92mt to 140mt, is still awaited. Overall, Company's capex target for doubling cement capacity (~73mt) over the next five years is Rs460bn (USD77/ton), which will be funded through internal accruals.
- **Targets strengthening EBITDA via group synergies and operational efficiencies:** The Group targets achieving consol. volume of 119mt (17% CAGR), with EBITDA of Rs175bn (28% CAGR vs the last 3-yr average), EBITDA/ton of Rs1,470 (8% CAGR vs the last 3-yr average) and RoCE improvement at 1.4x to 19% by FY28, mainly led by group synergies and operational efficiencies. Besides, the Group is looking to improve EBITDA by Rs300-400/ton, by FY24. Various cost-saving initiatives include: i) optimizing manufacturing-cost with increasing share of WHRS (from 80MW to 175MW), higher usage of AFR (from 7.5% to 30%), coal extraction from new mines, increasing share of green power (200MW solar) and entering long-term fly-ash sourcing contracts; ii) optimizing logistics cost via rail-road mix enhancement and warehouse footprint optimization by increasing direct despatch; iii) others, like manpower streamlining, debottlenecking initiatives and change in product mix.
- **The Group is also looking at various sales & marketing initiatives, like** i) focus on nine high-growth states (for cement): Rajasthan, Punjab, HP, UP, J&K, Bihar, Jharkhand, Maharashtra and Karnataka; ii) leveraging group adjacencies to drive premium-quality green cement volumes; iii) focus on special application premium cement (22% of trade sales); iv) increase in share of B2B segment; v) increase in productivity of the technical services team to convert IHB leads; and vi) emphasis on digitization initiatives.
- **Industry outlook:** The Group anticipates the demand-capacity gap to narrow during FY23-28 (demand/capacity growth of ~7%/~6%), with capacity utilization likely to be in the 70-75% range.

Financial Snapshot (Standalone)

(Rs mn)	CY20	CY21	15MFY23E	FY24E	FY25E
Revenue	1,13,719	1,39,650	2,00,483	1,64,791	1,77,131
EBITDA	26,466	32,075	31,277	32,351	36,255
EBITDA Margin (%)	23.3	23.0	15.6	19.6	20.5
APAT	16,868	21,462	23,617	22,603	24,809
EPS (Rs)	8.5	10.8	9.5	11.4	12.5
EPS (% chg)	22.8	27.2	(12.0)	19.6	9.8
ROE (%)	7.9	10.1	7.5	7.8	8.2
P/E (x)	32.7	25.3	31.6	26.5	23.7
EV/EBITDA (x)	19.0	16.9	16.4	14.4	12.9
P/BV (x)	3.8	3.4	3.4	2.6	2.5

Source: Company, Emkay Research

CMP	Target Price
Rs 385 as of (March 27, 2023)	Rs 425 (■) 12 months
Rating	Upside
HOLD (■)	10.4 %

Change in Estimates

EPS Chg FY23E/FY24E (%)	- / -
Target Price change (%)	(11.5)
Target Period (Months)	12
Previous Reco	HOLD

Emkay vs Consensus

EPS Estimates		
	FY23E	FY24E
Emkay	9.5	11.4
Consensus	12.8	14.2
Mean Consensus TP (12M)	Rs 506	

Stock Details

Bloomberg Code	ACEM IN
Face Value (Rs)	2
Shares outstanding (mn)	1,986
52 Week H/L	598 / 274
M Cap (Rs bn/USD bn)	764 / 9.26
Daily Avg Volume (nos.)	130,16,790
Daily Avg Turnover (USD mn)	69.1

Shareholding Pattern Dec '22

Promoters	63.2%
FIIIs	10.7%
DIIIs	17.0%
Public and Others	9.2%

Price Performance

(%)	1M	3M	6M	12M
Absolute	(26)	(32)	1	2
Rel. to Nifty	(26)	(31)	(1)	(1)

Relative price trend



Source: Bloomberg

This report is solely produced by Emkay Global. The following person(s) are responsible for the production of the recommendation:

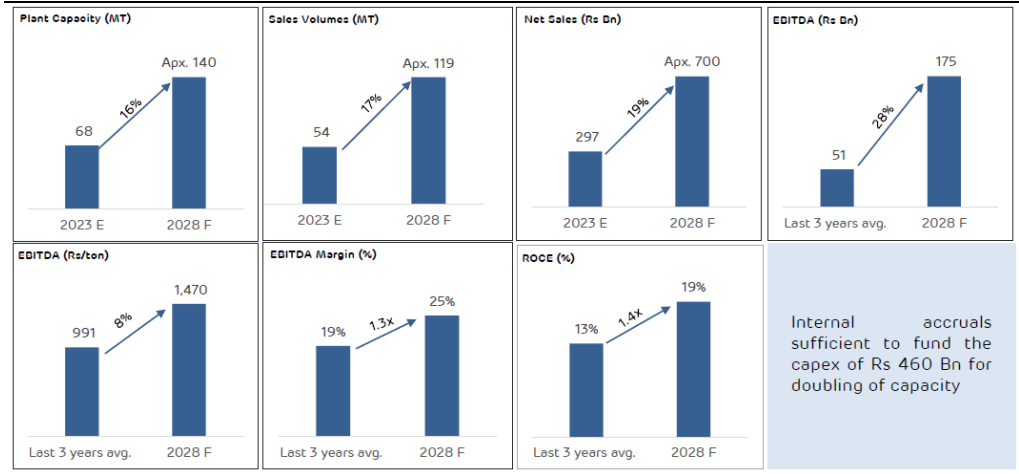
Dharmesh Shah

dharmesh.shah@emkayglobal.com

+91 22 6612 1255

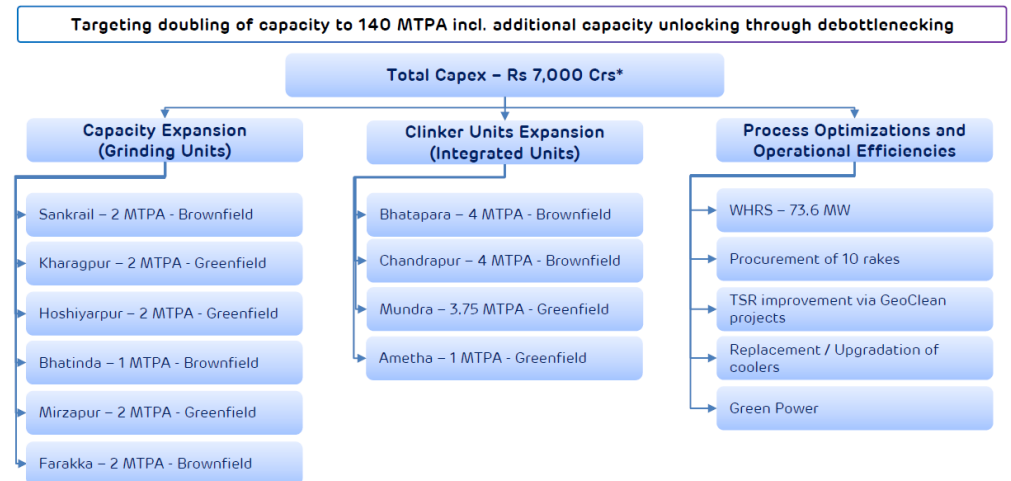
Story in charts

Exhibit 1: The Adani Group's transformational roadmap for cement business



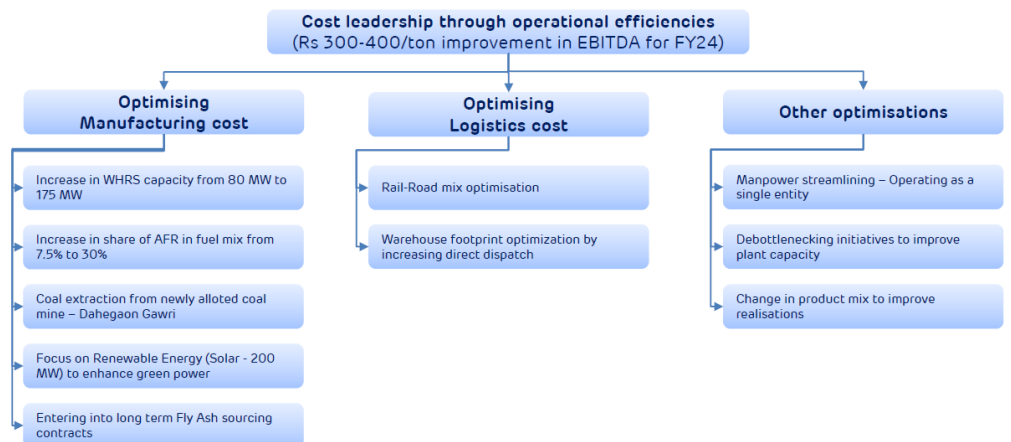
Source: Company, Emkay Research

Exhibit 2: The Adani Group's priority capacity-expansion projects for the next 2-3 years



Source: Company, Emkay Research

Exhibit 3: The Adani Group targets EBITDA improvement of Rs300-400/ton in FY24, through operational efficiencies



Source: Company, Emkay Research

Exhibit 4: Likely synergies potential with Adani Group companies

Source: Company, Emkay Research

Exhibit 5: Sales & Marketing initiatives by the Adani Group

Source: Company, Emkay Research

Exhibit 6: We maintain HOLD on the stock, with TP of Rs425/sh, based on 15x FY25E EV/EBITDA

EV/E method, backed by DCF analysis	(Rs bn)
Mar-25E EBITDA	36
EV/E (x)	15
Enterprise Value	546
Net cash (Mar-24E)	82
Equity value (standalone)	627
ACC - 50% of FV	216
SOTP-based value	843
No. of shares (mn)	1,986
Mar-24 Target Price (Rs)	425

Source: Emkay Research

Annual analysis

Exhibit 7: Key assumptions

Operational details	CY17	CY18	CY19	CY20	CY21	15M FY23E	CY24E	CY25E	CAGR (%)	
									CY17-21	CY21-FY25E
Capacity (mt)	29.7	29.7	29.7	29.7	31.5	31.5	33.0	38.7	1.5	7.1
Volumes (mt)	23.0	24.2	24.0	22.7	27.0	37.7	31.1	32.6	4.1	6.5
Utilization (%)	82	87	86	81	86	120	94	84		
Realization (Rs/ton)	4,455	4,525	4,717	4,927	5,103	5,259	5,240	5,368	3.5	1.7
EBITDA/ton (Rs/ton)	824	780	893	1,167	1,187	830	1,040	1,110	9.6	(2.2)
P&L (Rs bn)										
Revenue	105	114	117	114	140	200	165	177	7.5	8.2
EBITDA	19	19	21	26	32	31	32	36	14.1	4.2
Adj. Net Profit	12	12	14	17	21	24	23	25	15.5	4.9
Balance Sheet (Rs bn)										
Equity	200	210	222	203	222	284	296	308		
Net Debt	(35)	(33)	(47)	(29)	(41)	(92)	(89)	(54)		
Cash Flow (Rs bn)										
OCF	18	14	24	24	31	34	42	39		
Change in WC	2	(6)	4	4	(5)	(7)	3	(0)		
Capex	(5)	(6)	(11)	(10)	(11)	(31)	(28)	(60)		
FCF	15	2	17	18	14	(4)	16	(21)		
Return ratios (%)										
RoE	13.6	11.8	12.7	16.4	21.3	13.4	11.7	11.4		
RoCE	13.8	11.9	12.8	16.6	21.5	13.9	12.0	11.4		
RoIC	27.4	23.5	27.2	39.6	46.6	40.0	36.1	34.2		
Valuations (x)										
P/E						31.6	26.5	23.7		
EV/EBITDA						16.4	14.4	12.9		
EV/ton (USD)						201	178	155		

Source: Company, Emkay Research

Exhibit 8: Annual analysis on a per-ton basis

Rs/ton	CY17	CY18	CY19	CY20	CY21	15MFY23E	FY24E	FY25E
Blended realization	4,455	4,525	4,717	4,927	5,103	5,259	5,240	5,368
% YoY	4.9	1.6	4.2	4.5	3.6	3.0	(0.4)	2.4
Raw materials consumed	655	696	755	831	750	940	900	938
Power & fuel costs	970	1,051	1,075	993	1,266	1,708	1,509	1,536
Freight costs	961	1,044	998	950	903	844	827	851
Staff cost	288	281	281	295	251	209	213	215
Other expenses	847	830	846	777	810	787	809	774
Total OpEx	3,721	3,902	3,955	3,847	3,980	4,489	4,259	4,315
% YoY	5.8	4.9	1.3	(2.7)	3.5	12.8	(5.1)	1.3
Other operating income	89	157	131	87	63	61	60	58
Blended EBITDA	824	780	893	1,167	1,187	830	1,040	1,110
% YoY	5.5	(5.3)	14.5	30.7	1.7	(30.1)	25.4	6.7

Source: Company, Emkay Research

Key Financials (Standalone)**Income Statement**

Y/E Dec (Rs mn)	CY20	CY21	15MFY23E	FY24E	FY25E
Revenue	1,13,719	1,39,650	2,00,483	1,64,791	1,77,131
Expenditure	87,253	1,07,575	1,69,207	1,32,439	1,40,876
EBITDA	26,466	32,075	31,277	32,351	36,255
Depreciation	5,212	5,512	7,935	6,758	7,726
EBIT	21,254	26,562	23,342	25,593	28,529
Other Income	3,720	2,856	8,533	5,916	7,376
Interest expenses	831	909	1,203	1,169	2,604
PBT	24,144	28,509	30,672	30,340	33,301
Tax	7,276	7,047	7,054	7,737	8,492
Extraordinary Items	1,033	(657)	1,179	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
Reported Net Income	17,901	20,805	24,796	22,603	24,809
Adjusted PAT	16,868	21,462	23,617	22,603	24,809

Balance Sheet

Y/E Dec (Rs mn)	CY20	CY21	15MFY23E	FY24E	FY25E
Equity share capital	3,971	3,971	3,971	3,971	3,971
Reserves & surplus	1,99,187	2,18,101	2,80,388	2,91,690	3,04,094
Net worth	2,03,159	2,22,073	2,84,360	2,95,661	3,08,066
Minority Interest	0	0	0	0	0
Loan Funds	436	435	435	435	28,935
Net deferred tax liability	1,860	2,018	2,068	2,120	2,173
Total Liabilities	2,05,454	2,24,526	2,86,863	2,98,216	3,39,174
Net block	59,315	76,457	83,337	81,885	1,13,345
Investment	1,42,134	1,42,134	1,42,134	1,30,005	1,23,941
Current Assets	34,628	53,630	1,00,787	99,978	96,430
Cash & bank balance	5,032	17,466	52,121	57,317	52,369
Other Current Assets	167	169	170	172	174
Current liabilities & Provision	49,360	57,209	64,631	62,017	63,494
Net current assets	(14,732)	(3,579)	36,156	37,961	32,936
Misc. exp	0	0	0	0	0
Total Assets	2,05,454	2,24,526	2,86,863	2,98,216	3,39,174

Cash Flow

Y/E Dec (Rs mn)	CY20	CY21	15MFY23E	FY24E	FY25E
PBT (Ex-Other income) (NI+Dep)	24,144	24,996	23,318	24,424	25,925
Other Non-Cash items	(3,120)	139	50	52	53
Chg in working cap	3,676	1,281	(5,080)	3,391	77
Operating Cashflow	26,062	25,332	20,371	28,057	27,893
Capital expenditure	(9,778)	(12,972)	(30,538)	(28,435)	(59,772)
Free Cash Flow	16,284	12,361	(10,166)	(377)	(31,879)
Investments	3,133	0	0	12,128	6,064
Other Investing Cash Flow	0	0	0	0	0
Investing Cashflow	(3,164)	(10,115)	(22,005)	(10,390)	(46,332)
Equity Capital Raised	0	0	0	0	0
Loans Taken / (Repaid)	(62)	(1)	0	0	28,500
Dividend paid (incl tax)	(36,646)	(12,510)	(12,510)	(11,302)	(12,404)
Other Financing Cash Flow	0	10,637	50,000	0	0
Financing Cashflow	(37,604)	(2,783)	36,288	(12,471)	13,491
Net chg in cash	(14,706)	12,434	34,655	5,196	(4,948)
Opening cash position	19,738	5,032	17,466	52,121	57,317
Closing cash position	5,032	17,466	52,121	57,317	52,369

Source: Company, Emkay Research

This report is intended for team.emkay@whitemarquesolutions.com use and downloaded at 03/28/2023 03:34 PM

Emkay Research is also available on www.emkayglobal.com and Bloomberg EMKAY<GO>. Please refer to the last page of the report on Restrictions on Distribution. In Singapore, this research report or research analyses may only be distributed to Institutional Investors, Expert Investors or Accredited Investors as defined in the Securities and Futures Act, Chapter 289 of Singapore.

Key Ratios

Profitability (%)	CY20	CY21	15MFY23E	FY24E	FY25E
EBITDA Margin	23.3	23.0	15.6	19.6	20.5
EBIT Margin	18.7	19.0	11.6	15.5	16.1
Effective Tax Rate	30.1	24.7	23.0	25.5	25.5
Net Margin	14.8	15.4	11.8	13.7	14.0
ROCE	11.6	13.7	10.0	10.8	11.3
ROE	7.9	10.1	7.5	7.8	8.2
RoIC	33.7	42.1	23.4	29.4	27.2

Per Share Data (Rs)	CY20	CY21	15MFY23E	FY24E	FY25E
EPS	8.5	10.8	9.5	11.4	12.5
CEPS	11.1	13.6	12.7	14.8	16.4
BVPS	102.3	111.8	114.6	148.9	155.1
DPS	18.0	6.3	5.0	5.7	6.2

Valuations (x)	CY20	CY21	15MFY23E	FY24E	FY25E
PER	32.7	25.3	31.6	26.5	23.7
P/CEPS	34.6	28.3	30.3	26.0	23.5
P/BV	3.8	3.4	3.4	2.6	2.5
EV / Sales	6.6	5.2	3.5	4.3	4.2
EV / EBITDA	19.0	16.9	16.4	14.4	12.9
Dividend Yield (%)	4.7	1.6	1.3	1.5	1.6

Gearing Ratio (x)	CY20	CY21	15MFY23E	FY24E	FY25E
Net Debt/ Equity	(0.1)	(0.2)	(0.3)	(0.2)	(0.1)
Net Debt/EBIDTA	(1.1)	(1.3)	(2.4)	(2.1)	(0.8)
Working Cap Cycle (days)	(63.4)	(55.0)	(36.3)	(42.9)	(40.0)

Growth (%)	CY20	CY21	15MFY23E	FY24E	FY25E
Revenue	(2.5)	22.8	14.8	2.7	7.5
EBITDA	23.2	21.2	(22.0)	29.3	12.1
EBIT	32.4	25.0	(29.7)	37.1	11.5
PAT	17.1	16.2	(4.7)	13.9	9.8

Quarterly (Rs mn)	Q4CY21	Q1CY22	Q2CY22	Q3CY22	Q4CY22
Revenue	37,351	39,252	39,935	36,704	41,285
EBITDA	5,679	7,904	6,845	3,043	6,261
EBITDA Margin (%)	15.2	20.1	17.1	8.3	15.2
PAT	3,174	4,952	8,534	1,531	4,303
EPS (Rs)	1.6	2.5	4.3	0.8	2.2

Source: Company, Emkay Research

Shareholding Pattern (%)	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
Promoters	63.1	63.1	63.1	63.2	63.2
FIs	14.7	13.0	12.8	11.0	10.7
DIs	15.1	16.2	15.0	16.5	17.0
Public and Others	7.2	7.7	9.1	9.3	9.2

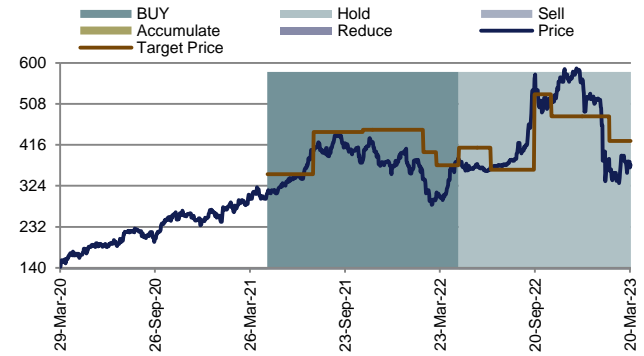
Source: Capitaline

RECOMMENDATION HISTORY - Details

Date	CMP (Rs/sh)	TP (Rs/sh)	Period (months)	Rating	Analyst
2-Mar-23	371	425	12m	Hold	Dharmesh Shah
9-Feb-23	358	425	12m	Hold	Dharmesh Shah
5-Feb-23	374	480	12m	Hold	Dharmesh Shah
29-Dec-22	523	480	12m	Hold	Dharmesh Shah
5-Dec-22	573	480	12m	Hold	Dharmesh Shah
5-Nov-22	559	480	12m	Hold	Dharmesh Shah
21-Oct-22	513	480	12m	Hold	Dharmesh Shah
4-Oct-22	492	530	12m	Hold	Dharmesh Shah
19-Sep-22	565	530	12m	Hold	Dharmesh Shah
4-Sep-22	416	360	12m	Hold	Dharmesh Shah
20-Jul-22	368	360	12m	Hold	Dharmesh Shah
4-Jul-22	369	360	12m	Hold	Dharmesh Shah
28-Jun-22	366	360	12m	Hold	Dharmesh Shah
16-May-22	368	410	12m	Hold	Dharmesh Shah
28-Apr-22	383	410	12m	Hold	Dharmesh Shah
16-Mar-22	309	370	12m	Buy	Dharmesh Shah
19-Feb-22	338	400	12m	Buy	Dharmesh Shah
31-Dec-21	378	450	12m	Buy	Dharmesh Shah
19-Dec-21	369	450	12m	Buy	Dharmesh Shah
2-Dec-21	377	450	12m	Buy	Dharmesh Shah
27-Oct-21	382	450	12m	Buy	Dharmesh Shah
5-Sep-21	437	445	12m	Buy	Dharmesh Shah
25-Jul-21	402	445	12m	Buy	Dharmesh Shah
6-Jun-21	332	350	12m	Buy	Dharmesh Shah
30-Apr-21	309	350	12m	Buy	Dharmesh Shah
28-Apr-21	309	350	12m	Buy	Dharmesh Shah

Source: Company, Emkay Research

RECOMMENDATION HISTORY - Trend (Rs/sh)



Source: Bloomberg, Company, Emkay Research

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to be as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com.

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the clients simultaneously, not all clients may receive this report at the same time. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit www.emkayglobal.com to view all Research Reports of EGFSL. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Disclaimer for U.S. persons only: Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors. Emkay Global Financial Services Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

RESTRICTIONS ON DISTRIBUTION

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons¹ may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests² in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

¹ An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of March 27, 2023
- EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report
- Disclosure of previous investment recommendation produced:**
- EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of March 27, 2023
- EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the March 27, 2023
- EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
- EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
- EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

OTHER DISCLAIMERS AND DISCLOSURES:

Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) :-

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit www.emkayglobal.com to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.